

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5605-02
Bill No.: HCS for HB 1729
Subject: Business and Commerce
Type: Original
Date: March 3, 2014

Bill Summary: This proposal requires the Department of Economic Development to establish an office in Israel for the purpose of promoting strategic partnerships between Israel based companies and Missouri based companies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$250,000)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$250,000)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development (DED)** assume that this proposal requires DED to open an international trade and investment office in Israel. Currently DED has 14 international trade and investment offices (including Jefferson City) which are located in 12 different countries. DED assumes opening an office in Israel may have a negative fiscal impact ranging from \$0 - \$250,000. DED would need to take into consideration the Gross Domestic Product (GDP) for Israel and any demographic or geopolitical considerations for the market. DED also assumes that this is an estimate of costs to open the office only. Once the office has been established DED will need an annual appropriation to cover administration costs of the office.

Oversight will reflect the \$250,000 cost of opening of the office in FY 2015, and additional Unknown costs for the administration of the office in future fiscal years.

Officials at the **Department of Conservation**, the **Department of Natural Resources** and the **Missouri Department of Transportation** each assume there is no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Cost - Department of Economic Development - opening an office in Israel</u>	<u>(\$250,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$250,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

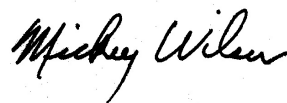
FISCAL DESCRIPTION

This act requires the Department of Economic Development to open an office in Israel if an appropriation is made for such purpose. The purpose of the office is to promote strategic partnerships between Missouri based companies and Israel based companies.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Conservation
Department of Economic Development
Department of Natural Resources
Missouri Department of Transportation



Mickey Wilson, CPA
Director
March 3, 2014

Ross Strobe
Assistant Director
March 3, 2014